

Energy Information Administration

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Proposed Appropriation Language

For necessary expenses in carrying out the activities of the Energy Information Administration, [\$82,111,000] \$85,000,000, to remain available until expended.

Explanation of Funding Changes

EIA's FY 2005 request is an increase of \$3,900,000 over the FY 2004 comparable appropriation. The increase will maintain a comparable level of services and surveys as compared to FY 2004 when EIA made use of use \$3,155,000 of prior year uncosteds and unobligated funds to supplement allotted funding. The FY 2005 funding will be used to fund Federal employee pay raise at a reduced FTE level, provide better regional information in the monthly Short-term Energy Outlook, operate the Weekly Natural Gas Underground Storage Survey, improve the weekly and monthly Petroleum Supply data quality, develop and field a Natural Gas Production Survey, and enhance the voluntary reporting of Greenhouse Gas emissions, and improve the transportation component of the National Energy Modeling System.

Energy Information Administration

Overview

Appropriation Summary by Program

(dollars in thousands)

	FY 2003 Comparable Appropriation ^a	FY 2004 Comparable Appropriation ^{bc}	FY 2005 Base	FY 2005 Request	FY 2005 Request vs. Base	
					\$ Change	% Change
Energy Information Administration	80,587	81,100	84,421	85,000	+579	+0.7%
Use of Prior Year Balances	-500	0	0	0	0	0%
Total, Energy Information Administration	80,087	81,100	84,421	85,000	+579	+0.7%

Detailed Funding Table

	FY 2003 ^a	FY 2004 ^{bc}	FY 2005
Energy Information Administration			
Oil & Gas.....	22,026	21,825	23,672
Coal, Nuclear, Electric, & Alternate Fuels	11,908	12,285	12,774
Energy Markets & End Use.....	12,103	11,936	12,407
Integrated Analysis & Forecasting	8,781	8,952	10,324
Information Technology	8,257	7,753	7,308
National Energy Info Center.....	2,320	2,473	2,564
Statistics & Methods.....	2,776	2,895	2,794
Resource Management	12,416	12,981	13,157
Subtotal, Energy Information Administration	80,587	81,100	85,000
Use of Prior Year Balances	-500	0	0
Total, Energy Information Administration	80,087	81,100	85,000

Preface

The Energy Information Administration (EIA) is being increasingly called upon to provide timely energy information and analysis on ongoing and topical energy issues to assist the Administration and Congress in their deliberations regarding national and international energy policy, markets and investments. As energy is the foundation of the U.S. economy, it is to EIA that the Nation's leaders, media, and citizens turn for information and analyses when an energy disruption occurs; when debates on competing national energy development and utilization strategies are discussed; or when government

^a Reflects rescission of \$523,972 in FY 2003 (P.L. 108-7).

^b In FY 2004, EIA will use \$3,155,000 of prior year deobligations to maintain the same level of data, analyses, and services as compared to FY 2003.

^c Reflects rescission of \$530,000 in FY 2004 (P.L. 108-108), and a second rescission of \$481,328 cited in the Consolidated Omnibus Appropriation Bill for FY 2004, for a total reduction of \$1,021,328.

and industry policy-makers need access to the most comprehensive source of energy data. EIA strives to be this Nation's premier source of unbiased energy information, analysis and forecasting.

As the energy industry restructures, expands and becomes increasingly more complex and interdependent, EIA will need to revise and update its energy data collection, analysis activities and capabilities to reflect the current industry composition and operation, and allow EIA to continue to provide the most comprehensive picture of the energy markets and industry. This budget request presents EIA planned program funding and resource requirements, and the integration of EIA's performance in support of the Department of Energy's (DOE) strategic goals.

Strategic Context

As the Nation faced two oil price shocks in the 1970s, Congress realized that the United States did not have a source of energy data that could be relied upon to understand our energy situation and provide a sound basis for development and implementation of energy policies. EIA was created with the 1977 Department of Energy Organization Act (P.L. 95-91, 42 U.S.C. 7135) to serve as an independent agency to acquire, analyze and disseminate accurate and unbiased energy information and analyses. Since 1977, EIA has undertaken its mandate with determination, and is widely recognized as the best source for energy information and analysis.

The Administration, Congress, and the energy industry continually turn to EIA to obtain the clearest picture of the current and projected energy situation. As energy challenges arise, like the recent power outage in the Northeast, tight gasoline and heating oil markets, imbalances between natural gas supply and demand, or world events that create instability in the global energy supply, EIA is called upon to provide an accurate analysis of the situation, and to assess impacts to the Nation's citizens and economy of various courses of action being considered by energy policymakers.

To maintain the capability for EIA to provide clear, accurate, unbiased and timely information and analyses, EIA must continually reshape and revise its energy data collection and analysis programs to reflect changing energy markets. And as the energy industry is becoming increasingly interdependent, and energy sources are increasingly constrained, a problem in one part of the Nation's energy system can impact on all other energy arenas in both the national and international levels. Past investment in EIA has brought this Nation a first-rate ability for policymakers to see the overall energy picture.

Mission

The Energy Information Administration is a leader in providing high-quality, policy-neutral energy information to meet the requirements of Congress, the Federal Government, industry, and the public in a manner that promotes sound policymaking, efficient markets, and public understanding.

Benefits

Every Congress and Administration since EIA's inception have come to rely on EIA's data and analysis to provide the basis for energy policy development, debates, and decisions. They rely on EIA to investigate, analyze and report on potential impact of energy policy plans, and to provide a clear, accurate and concise assessment of topical energy issues and events. EIA has established itself as a non-policy making, unbiased and independent information and analysis resource to which the Congress and the Administration can turn to provide the continuous flow of reliable energy information and analysis needed to make informed energy policy decisions. Energy consumers, energy producers, State and Local governments, and international agencies also rely extensively on EIA's energy data and analysis.

Energy Strategic Goal: To protect our national and economic security by reducing imports and promoting a diverse supply of reliable, affordable, and environmentally sound energy.

General Goal 4, Energy Security: Enhance energy security by developing technologies that foster a diverse supply of affordable and environmentally sound energy, improving energy efficiency, providing for reliable delivery of energy, exploring advanced technologies that make a fundamental change in our mix of energy options, and guarding against energy emergencies.

Program Goal 04.61.00.00, Energy Security: EIA's information program is relevant, reliable and consistent with changing industry structures, and EIA's products are accurate and timely.

Contribution to General Goal

The purpose of EIA's energy data collection, analysis, and dissemination endeavors is to promote sound policymaking, efficient markets, and public understanding. In order to achieve this outcome, EIA provides national and international energy data, analysis, and information and forecasts to meet the needs of energy decision-makers and the public.

Assessing the level of achievement of these ultimate outcomes is extremely difficult. EIA approximates overall achievement of its mission by measuring product usage and the number of information products prepared at the request of Congress, the Administration, and State policymakers per year (includes briefings, testimony, and reports). EIA tracks product usage levels in many ways (number of Web site file downloads, number of requests from Congress and the Administration for reports and analysis, number of customers and the products they use, number of telephone inquiries, and number of news media citations, etc.)

EIA's priority is to maintain high quality, core energy data programs and forecasting methodologies essential to providing timely energy information, analysis and forecasts. EIA will continue to collect, analyze and disseminate energy information, and provide analyses and forecasts to Administration and Congressional energy policymakers, and the public. EIA will accomplish its mission through the use of surveys, expert analyses, and various information collection and dissemination techniques, most notably the Internet. EIA also will continue investment in resources to assure the long-term accuracy of energy data and analyses, which reflect changes in various energy sectors resulting from actions such as: the restructuring of energy industries, demographic changes, new fuel standards, and other legislative decisions.

EIA's FY 2005 budget request will contribute to this goal by maintaining the highest priority energy surveys, discontinuing lower priority data collection efforts, providing funds for investments in critical data, programs, and model improvements. This request will allow EIA to maintain a comparable level of services and surveys as compared to FY 2004, when EIA was directed to make use of prior year uncosteds and unobligated funds to supplement budgeted resources.

In FY 2005, EIA plans to discontinue the Annual Electric Industry Financial Report (EIA-412) that collects financial, plant cost, and transmission line data from municipal, State, and Federal utilities and generation and transmission cooperatives. Funds provided with this request, and savings from the discontinuation of the EIA-412 survey will be used to:

- improve the quality and timeliness of natural gas data. As part of this initiative, a new natural gas product survey will be developed and fielded, and the funding provided by this request will allow EIA to continue the Weekly Underground Natural Gas Storage Survey.
- update our core electricity surveys to provide improved estimates of fuel-switching capabilities and other critical parameters, and enhance data quality.
- continue the monthly surveys of foreign crude acquisition and domestic crude oil first purchases. Also, update petroleum product surveys and systems to maintain data quality and accommodate changes in fuel specifications.
- provide better regional information in the Short-term Energy Outlook; conduct independent reviews of EIA's data and analytical work to improve its accuracy and timeliness; and improve EIA's voluntary reporting surveys and databases to collect and disseminate information on greenhouse gas emission reductions in accord with updated reporting guidelines that are being issued as part of the President's Climate Change Initiative.

Funding by General Goal

(dollars in thousands)

	FY 2003	FY 2004	FY 2005	\$ Change	% Change
General Goal 4, Energy Information Administration					
Program Goal 04.16.000.00, Energy Security.....	80,587	81,100	85,000	+3,900	+4.8%
Subtotal, General Goal 4	80,587	81,100	85,000	+3,900	+4.8%
Use of Prior Year Balances	-500	0	0	0	0.0%
Total, General Goal 4.....	80,087	81,100	85,000	+3,900	+4.8%

Annual Performance Results and Targets

FY 2000 Results	FY 2001 Results	FY 2002 Results	FY 2003 Results	FY 2004 Targets	FY 2005 Targets
Met goal by hosting 50 percent more Web site users in FY 2000 than in FY 1999, and 80 percent more users in FY 2001 as compared to FY 2000. (Met Goal)	In FY 2001, EIA had an increase of over 6.9 million unique users of EIA's Web site. (Met Goal)	In FY 2002, EIA had an increase of over 2.3 million unique users of EIA's Web site. (Met Goal)	In FY 2003 EIA had an increase of over 2 million unique users of EIA's web site. (Met Goal)	Increase the number of unique monthly users of EIA's Web site by at least 20 percent per year through 2005 from a FY 1997 baseline of 37,000 monthly users sessions.	85 percent of EIA products meeting their release date targets.
In FY 2000, EIA provided 85 informational briefings for high-level policymakers in the Administration and Congress. (Met Goal)	In FY 2001, EIA provided 76 informational briefings for high-level policymakers in the Administration and Congress. (Met Goal)	In FY 2002, EIA provided 85 informational briefings for high-level policymakers in the Administration and Congress. (Met Goal)	In FY 2003, EIA provided 236 informational briefings for high-level policymakers in the Administration and Congress. (Met Goal)	Conduct informational briefings for high-level energy policy-makers in the Administration and Congress to provide timely information and analyses on topical energy issues and situations.	90 percent or more of customers rate themselves in customer surveys as satisfied or very satisfied with the quality of EIA information.
In FY 2000, EIA's work received 164 citations in major media outlets. This represents a 200 percent increase from the prior year. (Met Goal)	In FY 2001, EIA's work received 194 citations in major media outlets. This represents an 18 percent increase from the prior year. (Met Goal)	In FY 2002, EIA's work received 96 citations in major media outlets. From FY 1992 through FY 2002, EIA has averaged a 61 percent per year growth in media citations. (Met Goal)	In FY 2003, EIA's work received 96 citations in major media outlets. From FY 1992 through FY 2003, EIA has averaged an 82 percent per year growth in media citations. (Met Goal)	Increase the number of citations of EIA in major media outlets by at least an average of 10 percent per year through 2003 from a FY 1999 baseline of 79, and then maintain a constant level of media citations +/- 10 percent.	70 percent of key EIA survey frames ^a will have sufficient industry coverage to produce accurate supply, demand and price statistics.

^a Survey frames are a list, map, or other specification of the units that constitute the available information relating to the population of interest for a particular collection effort.

Means and Strategies

In FY 2005, EIA's program will consist of data collection necessary to fulfill its statutory requirement for the maintenance of a comprehensive energy database, the publication of reports and analyses for a wide variety of customers in the public and private sectors, the maintenance of the National Energy Modeling System for mid-term energy markets analysis and forecasting, the maintenance of the Short-Term Integrated Forecasting System for near-term energy market analysis and forecasting, and customer forums and surveys to maintain an up-to-date product and service mix. EIA's strategy is to make its broad mix of products and services available to its customers through an expansion of electronic information dissemination via the EIA Web site. All but four periodicals, which are both more costly less timely, have been eliminated and replaced with Internet dissemination.

EIA has a number of different collaborative activities underway with statistical representatives from other cabinet agencies. The most important collaboration is via the Interagency Council on Statistical Policy (ICSP), composed of the heads of the major statistical agencies and chaired by the Office of Management and Budget's Chief Statistician. The ICSP has supported a number of collaborative activities, including: FedStats – a Web site providing data from the major statistical agencies in a user-friendly environment; the National Science Foundation (NSF) Digital Government initiative, which provides funds to researchers to interact with consortia of statistical agencies on issues related to data dissemination and the presentation and collection of large-scale databases on the Web; and the Joint Program in Survey Methodology (JPSM), which trains college graduates in applied survey methodology, conducts a summer intern program and develops other certification alternatives. ICSP is backing the data sharing legislation that would allow the agencies to share data and sampling lists and still protect the confidentiality of respondents.

External Factors Affecting Performance of EIA's data and analyses will continue to become more visible and critical over the next several years due to:

- increasing tightness and price volatility in U.S. markets for natural gas and petroleum products, which have increased demand for up-to-date information and projections,
- Congressional and other customer requests for analyses and forecasts regarding the effects of alternative energy and environmental policies, and
- the continual restructuring of the electric and natural gas industries, which has made energy use and price data, especially at the end-use level, much more difficult to obtain from new and emerging merchant providers.

EIA's data and analysis is especially useful to State governments, who increasingly rely on these data and analyses to understand and effectively manage the current and emerging effects of energy industry developments on consumers in their State. Partly as a result of this increasing visibility and importance, it is critical to maintain the quality of the data from EIA's surveys. EIA will face an unprecedented challenge in maintaining the quality of its data due to:

- the increasing amount of work needed to keep survey response rates high in the current cultural climate, with respondents increasingly more difficult to reach and more resistant to completing surveys, and
- the need for expanded and more complex energy consumption and expenditures data collection procedures, due to the more complex energy supply structure, especially those related to the natural gas and electric markets.

EIA's ability to provide data and information on the natural gas industry is severely challenged by changes in the regulatory environment and ongoing industry restructuring. Since natural gas is often a swing fuel in electric generation, information on gas supply is essential in understanding the fuel choices made by electric generator operators and the subsequent availability of gas to industrial users.

This request includes funding in support of the Natural Gas Data Initiative announced by Secretary Abraham on June 26, 2003. With increasingly tight and volatile markets for natural gas, both consumers and producers need high-quality and timely information regarding prices and the forces that drive them in order to make wise decisions about both consumption and investments to increase gas supply. To this end, EIA will: (1) launch a natural gas production survey to provide more timely and accurate information than is provided by the current system of voluntary reporting by the States on an inconsistent basis, (2) provide more regionally disaggregated short-term forecasts of natural gas markets, and (3) provide better end-use price data. In addition, FY 2005 request includes funding for the Weekly Underground Natural Gas Storage Survey begun in FY 2003.

Validation and Verification

EIA annually conducts a customer satisfaction survey. EIA's senior management reviews the results of the customer survey, and uses the information to enhance the quality of EIA's Web site, customer services, and electronic products. Often specific survey questions about EIA's Web site and electronic products are included in the customer survey.

EIA's statistical survey development, of which survey frames are a crucial portion, is driven by EIA's information quality guidelines. EIA has performance standards to ensure the quality (i.e., objectivity, utility, and integrity) of information it disseminates to the public. Quality is ensured and maximized at levels appropriate to the nature and timeliness of the disseminated information. EIA also strives for transparency about information and methods in order to improve understanding and to facilitate reproducibility of the information. Additional information about EIA's quality program is available at our information quality guidelines Web site: <http://www.eia.doe.gov/neic/aboutEIA/guidelines.html>.

EIA's results on performance measures are presented to senior management on a quarterly basis. Included is the number of unique monthly users of EIA's Web site, and EIA's progress in meeting the established goal of continuously increasing the numbers of customers accessing and using EIA's energy data, information and service. Management also is briefed on the number of media citations and briefings to high-level policy makers in the Administration and Congress.

Program Assessment Rating Tool (PART)

EIA was not selected to participate in PART for FY 2005. DOE and the Office of Management and Budget (OMB) plan to have EIA activities reviewed via the PART tool in FY 2006.

Significant Program Shifts

Increasing data and analysis requirements, combined with increased complexity of the energy sector, and in the face of shrinking budgets, is impacting all areas of EIA's energy data collection, analysis and forecasting capabilities and quality. For example, in a recent GAO Report, *Electricity Restructuring: Action Needed to Address Emerging Gaps in Federal Information Collection*, GAO-03-586, noted how the electric industry has "been most affected by restructuring," which "has led to changes in the number of entities from which EIA collects data, the volume of data collected on electricity markets, and the way in which EIA uses the data to complete its mission of examining the energy sector." The GAO

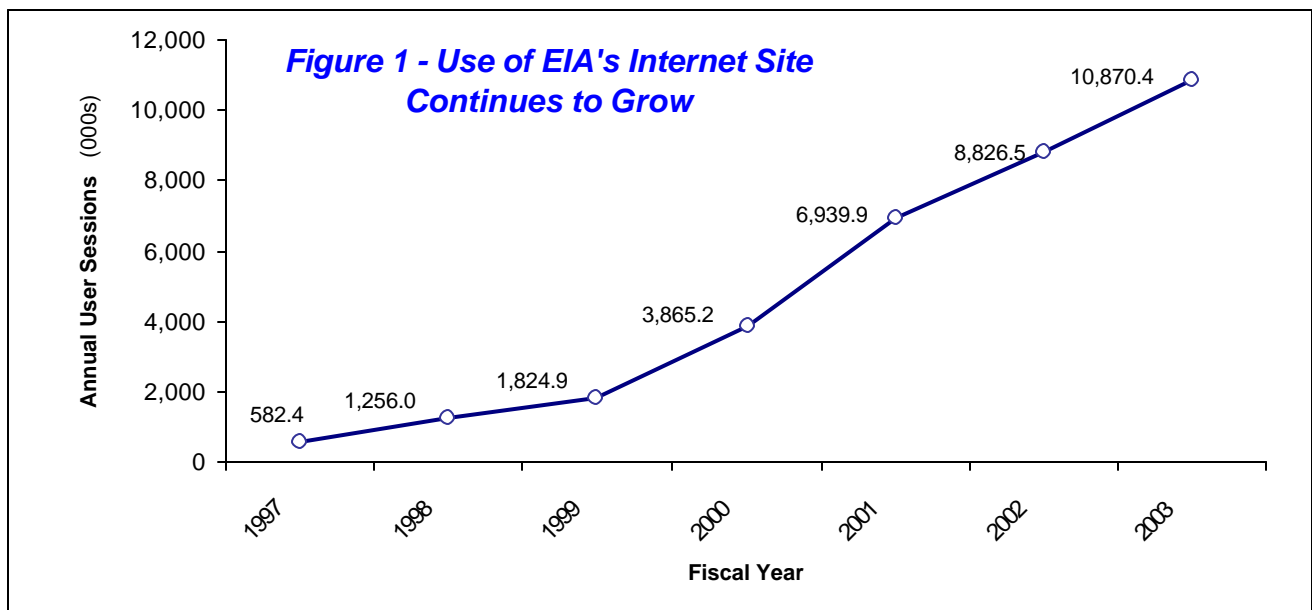
report went on to note that “EIA has had to revise surveys and expand its collection database, the volume of data transmitted to EIA has increased, and EIA has had to significantly alter the way it examines energy sectors and electricity in particular.” In regard to data quality, the GAO report notes, “EIA is challenged because there have been a substantial increase in the number of sources of information (especially nonutilities) resulting from restructuring while EIA has also experienced substantial budget cuts.”

In FY 2004, EIA will use \$3,155,000 in prior year uncosteds and unobligated funds to deliver the same level of energy information and analyses as in FY 2003. EIA will use the additional funds requested and allow normal attrition through FY 2004 to reduce our staffing from the current ceiling level of 374 FTEs to 369 FTEs to help offset operating costs, and terminate the operation of the EIA-412, *Annual Electric Industry Financial Report*. The combination of additional resources, attrition and the termination of one survey, help support the following high-priority initiatives:

- improve the quality and timeliness of natural gas data. This includes developing and fielding a new natural gas product survey, and to continue the Weekly Underground Natural Gas Storage Survey.
- update our core electricity surveys to enhance data quality, and improve estimates of fuel-switching capabilities and other critical parameters.
- continue the monthly surveys of foreign crude acquisition and domestic crude oil first purchases, and update petroleum product surveys and systems to maintain data quality and accommodate changes in fuel specifications.
- provide better regional information in the Short-term Energy Outlook; conduct independent reviews of EIA’s data and analytical work to improve its accuracy and timeliness, and improve EIA’s voluntary reporting surveys and databases to collect and disseminate information on greenhouse gas emission reductions in accord with updated reporting guidelines that are being issued as part of the President’s Climate Change Initiative.

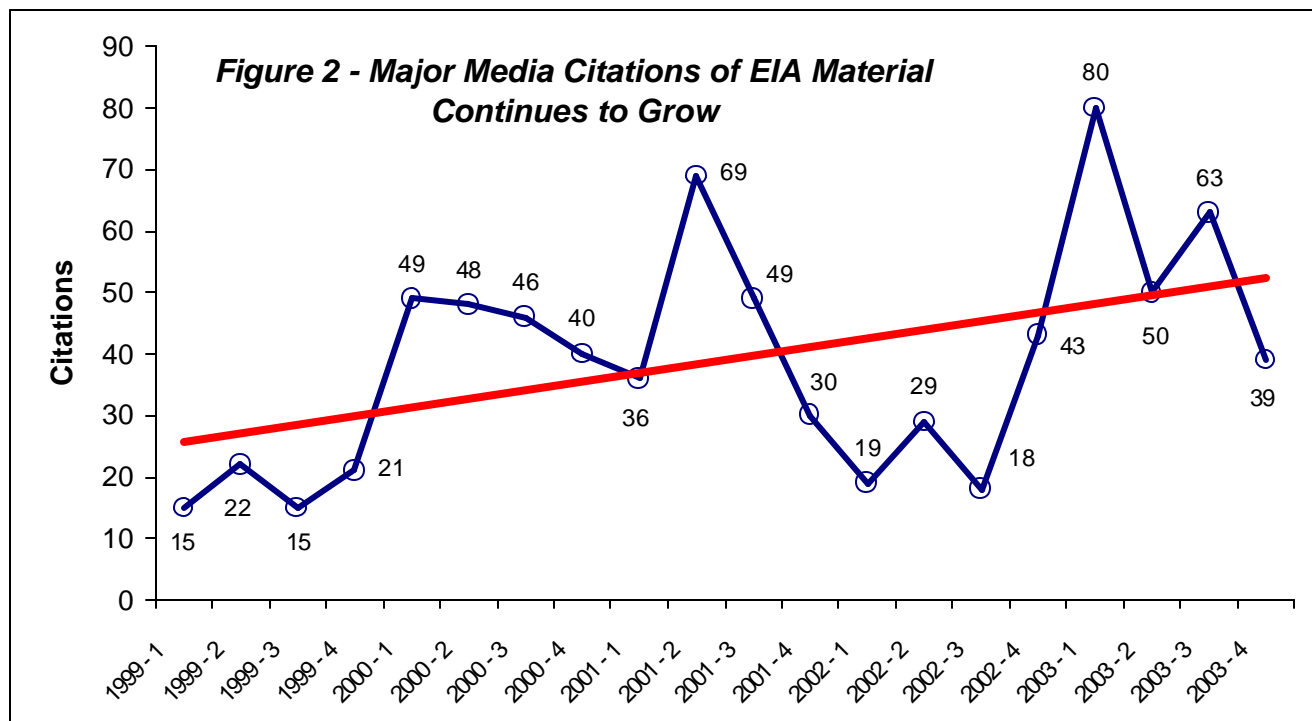
Performance

EIA aggressively works to expand the availability of electronic information and upgrade energy data dissemination, particularly on the EIA Web site. This increased use of electronic technology for energy data dissemination has led to an explosive growth in the number of our data customers and the breadth of their interests, as well as an increase in the breadth of information distributed. For example, the growth in monthly users of EIA’s Internet services is remarkable (see Figure 1). During FY 1997, EIA established a goal to increase the number of monthly users of its Web site by 20 percent annually, from a baseline of 37,000 per month. In each of the succeeding years EIA has either met or exceeded this commitment, with a 23 percent increase in FY 2003 by delivering more than 2,600 gigabytes of data. EIA also has increased dramatically the distribution of its information by becoming the dependable source of objective energy information for the major news media (Figure 2). This achievement has enabled our energy data to be widely seen and used by the general public with minimal cost to the agency.



Additional Accomplishments

The ban on methyl tertiary butyl ether (MTBE) as a major motor gasoline component has caused explosive growth in ethanol as a replacement, causing the petroleum industry to shift significant gasoline production from refineries to downstream blending facilities, doubling the number of motor gasoline producers EIA must survey. Finding these new blenders and getting accurate reports from them has been difficult, but the effort has improved the quality of EIA motor gasoline statistics.



In partnership with the U.S. Bureau of Land Management, the U.S. Geological Survey, and the U.S. Forest Service, EIA participated in a comprehensive inventory of oil and gas resources and reserves in on-shore Federal lands and the nature of restrictions to their development, as mandated by the Energy Policy and Conservation Act Section 604. EIA implemented new analytical methodologies to provide field-level estimates of proved reserves by reserves class, field boundaries and proved ultimate recovery appreciation by field.

In support of the President's Management Agenda for e-Gov, EIA completed implementation of a new Internet-based data collection and editing process for its electric power forms. In addition to providing the vehicle for survey staff to enter and edit data, the same process can be used by respondents to submit their data to EIA. It is a secure method that is welcomed by respondents who are required to submit confidential data. By Spring 2003 all of the regular electric surveys were receiving more than 30 percent of their responses via the Internet system. In addition, EIA implemented secure transfer feature for use by survey respondents on coal and electric data collection forms. This is another electronic filing method that eliminates the paper form. It provides a secure, electronic means for respondents to transmit their data directly to EIA. The benefits are that respondents get an electronic confirmation that their information has been received, and EIA receives the information faster than previous methods employed. Respondents' reactions to both new processes have been strongly positive. The use of Internet data collection methods are all the more important given the delays in mail delivery to government offices resulting from the security procedures implemented in response to the threat of further anthrax attacks via the mail.

EIA revised its Annual Energy Review, and the Monthly Energy Review in 2003, to address a number of data issues in order to improve the quality of their reported data. These data issues included: moving fuel consumptions and the electricity generation by cogenerators and from industrial sector to the electric power sector, reviewing and correcting historical cogeneration data dating back to 1989, improving the natural gas balancing item reporting, and substituting information on natural gas consumption on the electric power survey form, for natural gas consumption information reported on natural gas survey forms.

EIA directed the State Heating Oil and Propane Program (SHOPP), a joint Federal-State data collection effort to collect weekly state level residential prices of No. 2 Heating Oil and propane needed to monitor heating fuels in the event of sudden market changes. The information provided is part of the *Weekly Petroleum Status Report*, and *This Week in Petroleum*. To prepare for the upcoming heating season, a SHOPP conference is held each August, providing the first look at the upcoming heating season.

EIA expanded market coverage of weekly retail gasoline prices effective May 27, 2003 (to include prices for ten cities, nine states, U.S. regions and total U.S.) in response to increased concerns over gasoline price volatility and price differences within geographic regions. The new information is released via a redesigned Web site to provide businesses, individual consumers, and government agencies with current fuel gasoline and diesel fuel cost information every Monday.

EIA established an ongoing program designed to enhance data quality in the areas of coal, nuclear, electricity, and alternative fuels. More robust edit methodologies were developed to automatically check for anomalies in data reporting, processing and extraction. Survey forms for electricity generators and the uranium industry were re-designed to improve accuracy in reporting and efficiency in processing. EIA's energy terminology and electricity data collection processes also were standardized to a greater extent than previously.

EIA significantly improved the timeliness of the release of quarterly coal data. The *Quarterly Coal Report, April – June 2002* and subsequent reports have been published in less than 80 days from the end of a quarter, as compared to 110 to 190 days for each prior quarterly report since 1993. This improvement was due to the development and implementation of new survey processing methodology employing a secure transfer feature for collecting data electronically, and employing electronic methods for producing the report.

EIA completed a thorough and detailed review and reorganization of non-utility generation, fuel consumption, thermal output, and fuel stocks data for the period 1989 to 2001. This project resulted in the ability to show fuel consumption and power generation in industry categories that align more closely with how the electricity industry has restructured. The effort also included a review, and revisions where needed, of the non-utility data, particularly with respect to fuel consumption for useful thermal output.

EIA completed a number of ad hoc and urgent requests for electricity data from the Secretary of Energy and from Congress. One project involved locating and mapping the power plants owned by major independent power producers. Several efforts involved analyses of electric revenues related to congressional review of proposed energy bills.

The EIA Kids Page, first developed in 1998, has been EIA's fastest-growing Web product for the past 2 years. During FY 2003 user sessions for the Kids Page topped 100,000 per month. Recent enhancements to the site include: a section on recycling and energy, a site map, a glossary, examples of converting energy units, a coloring page, and numerous student activities and current-events articles. In April, a "pop-under" survey of Kids Page customers was undertaken to gain a clearer understanding of whom (and what age group) the users are and what information they are seeking. In addition, the Kids Page is undergoing a usability study, to determine how to make the site more useful and user-friendly to customers.

In April 2003, an Energy Industry Study Program (EISP), similar to the program offered to four different groups of EIA employees between 1996 and 1999, was restarted. The 25 EISP participants spent one day per week for 10 weeks gaining an overview of the various industries in the energy sector through a combination of local field trips and expert lectures. The program, which supports the President's Management Agenda for Human Capital development, provides an overall context for work at EIA, and hands-on experience. This program increases the skill mix and flexibility of EIA participants. A second EISP session was completed in December 2003.

Other Support for the Congress, Administration and the Secretary

Historically, EIA has provided numerous special reports, briefings and analyses to the Congress, the Administration and the Department. For example, EIA provided the Energy Situation Analysis Report on a daily basis during the Venezuela crisis and the Iraq war providing policymakers and the public with frequent updated information during time of energy market stress.

Service Reports

With increasing frequency, EIA is being requested by Congress to produce comprehensive Service Reports that analyze current energy issues of major importance. The number and sophistication of these analytical requests have grown, often requiring EIA to postpone planned work, and requiring negotiation with the requestor on delivery dates and the scope of the study and final report. In FY 2002, EIA completed an assessment of the resources expended to complete the 93 special reports and analyses requested during the fiscal year, which expended nearly \$2,000,000 worth of resources (Federal and contractor personnel, but not counting overhead costs). If this level of demand continues, EIA will expend over \$2,000,000 to fulfill these un-reimbursable requests for analyses and reports in FY 2004 and FY 2005.

Of special note during the past year are the following analyses and reports that played, and will continue to play, a critical role in U.S. energy and environmental policy debates:

- In November 2003, EIA issued its *Report on August Gasoline Price Spike*. This report, prepared in response to a request from Secretary Abraham arising from his testimony before Congress regarding the August 2003 blackout, examined the factors behind the large price increase for retail gasoline in August 2003, which most of the country experienced. The report examines in detail the combination of unexpected demand increases and downward supply shocks occurring at a time when gasoline inventories were already low that contributed to the rise in wholesale prices.
- In September 2003, EIA issued *Analyses of Selected Provisions of Proposed Energy Legislation: 2003*, prepared at the request of Senator Dorgan. This report provided analyses of provisions in the Senate-passed version of the Energy Bill based on prior analyses of earlier energy bills and standalone provisions completed in response to requests from Congress and the Administration, including the May 2003 *Analysis of a 10-percent Renewable Portfolio Standard*, which evaluated the impact of proposed legislation on the level and mix of renewable generation used, and impacts on other fuel markets and consumers within scenarios suggested by both proponents and opponents of the program.
- Also in September, EIA issued *Analysis of S. 485, the Clear Skies Act of 2003, and S. 843, the Clean Air Planning Act of 2003*, prepared at the request of Chairman Inhofe of the Senate Environment and Public Works Committee. The analysis assessed the impacts of the bills on emissions levels, electricity prices, and the mix of fuels used for electricity generation, for each bill and a number of variants.
- In June 2003, EIA delivered the comprehensive report entitled, *Analysis of S.139, the Climate Stewardship Act of 2003*. This comprehensive report, prepared in response to requests from Senators Inhofe, McCain, and Lieberman, addressed a number of issues including: the impact on energy consumption and prices, the impact on macroeconomic activity (including employment), and the impact on consumers. In order to illustrate the impact of key assumptions and specifications in the proposed legislation, EIA evaluated the effects of a number of different scenarios including: the penetration of advanced technologies, expanded “entity” coverage (the commercial sector), excluding the adoption of new nuclear technology or geologic sequestration options, alternative allowance allocation schemes, the effects of higher natural gas prices, and the banking provisions.

- During the Senate floor debate on an ethanol amendment to the Energy Bill, Senators quoted from EIA's report 2003 *California Gasoline Price Study: Preliminary Findings, May 2003*, which addressed this spring's California gasoline market spike, specifically the underlying drivers, including the impact from California's transition to ethanol blended reformulated gasoline. Senators on opposite sides of the debate regarding an Administration-supported Renewable Fuel Standard, both relied on EIA's energy data and analysis in policy-making discussions on the U.S. energy policies.
- In October 2003, EIA issued *Preparations for Meeting New York and Connecticut MTBE Bans*. Responding to a request from Congressmen Ose and Shays, this report characterized the progress that New York and Connecticut have made in making the transition from MTBE to ethanol scheduled to take effect in January 2004 and the likely impact of the changeover on these States' gasoline supplies and gasoline prices. It also addressed similarities and differences from the situation in California, which were addressed in separate EIA reports, and lessons for other such transitions.
- In December 2002, EIA completed a study on the role of energy derivatives and their impact on energy price volatility addressing the topic of great interest to Congress and the Administration. This report *Derivatives and Risk Management – The Petroleum, Natural Gas, and Electricity Industries*, provided a description of energy risk management tools, a description of exchanges and mechanisms for trading energy contracts, an exploration of the varied uses of energy risk management tools, a discussion of any impediments to the development of energy risk management tools, an analysis of energy price volatility relative to other commodities, a review of current regulatory structure for energy derivatives markets, and a survey of literature on energy derivatives and trading.

EIA also provided several internal analyses responding to requests of the Administration, including evaluating components of proposed energy legislation, evaluating the impact of multi-pollutant legislation, and evaluating policies to enhance the financial viability of developing new nuclear power options.

Recognitions

The National Journal – During the Fall of 2003, the National Journal cited EIA's Web site as the best source for energy information.

Time Magazine - Late in FY 2002, Time Magazine listed EIA as one of its Best Web sites for Business saying, "For free research on a crucial industry, try this site from the Department of Energy, which forecasts future prices and trends for oil, gas and other petroleum products. In addition to statistical tables, the EIA produces clearly written reports that spell out in plain English what the numbers mean. It also features profiles of the energy sector in various countries and regions."

EIA Supports the President's Management Agenda

In the area of Human Capital Management

By the end of FY 2005, over 40 percent of EIA's total staff will be eligible for retirement, including 76 percent of EIA's present supervisory / managerial cadre and 60 percent of all non-supervisory GS-14 and above staff. To address this approaching need, EIA has streamlined and de-layered the organizational structure, has established new interview and training activities, and is:

- periodically updating its work force plan, including succession plans,
- continuing to revamp recruitment and associated personnel processes to improve timeliness,
- enhancing recruiting through use of brochures, outreach programs to support diversity initiatives, job fairs, and online hiring,
- instituting and encouraging knowledge sharing opportunities with departing staff to leave a knowledge base for the future,
- expanding training opportunities for staff, especially for those seeking advanced degrees, and
- supporting internship and cooperative education programs, especially at minority educational institutions.

In the area of Competitive Sourcing

EIA has reduced Federal IT staff as a result of the availability of contractual support to perform the IT work previously performed by EIA's Federal staff, which also increased EIA's use of small businesses. In addition, EIA's remaining Federal IT staff is undergoing an A-76 review.

In the area of Small Business Support

EIA plans to remain a Departmental leader in the use of small businesses. For FY 2003, EIA awarded 46 percent of its contract funding to small businesses, 2 percent over its goal. EIA projects the use of small businesses will increase to 47 percent for FY 2004, and 50 percent in FY 2005.

In the area of Financial Management

EIA is making increased use of the Department's newly developed financial management system.

In the area of E-Government

EIA continues to look at ways to use the Internet to collect and disseminate energy data, information, analysis, forecasts and reports. Currently some respondents are able to provide their data on-line with the data being checked in real-time. Currently, EIA collects data on 39 surveys via the Internet employing a secure transfer procedure to assure security of information provided. EIA's long-term goal is to increase the amount of energy data collected and provided via the Internet. In the future, EIA will look to employ alternative electronic data collection methods, as newer information technology products and processes become available.

In the area of Energy Data Dissemination

In FY 2005, EIA Web site usage is projected to be over 7,000,000 unique user sessions. In FY 2005, having completed the phase-out of nearly all printed reports, EIA will print only four multi-fuel periodic reports. All energy information, analyses, and forecasts will continue to be available via EIA's Web site.

EIA Omnibus Procurement

The EIA's current multi-award contract is expected to end in 2004. With the replacement multi-award contract, small, 8(a), woman-owned, and other disadvantaged businesses have significant opportunities to compete for task orders. Small businesses will be encouraged to partner with both large and small businesses to successfully bid for EIA's contract dollars. EIA will continue to build on the best practices for increasing small business participation.

Summary

The FY 2005 request will allow EIA to continue ongoing program activities, to meet to the extent possible, the needs of the Congress, Administration, States, industry, and the public for reliable and accurate energy information and analyses. EIA will continue to seek and implement efficiencies that provide better energy data and analyses products at less cost.

Funding by Site by Program

(dollars in thousands)

	FY 2003 ^a	FY 2004 ^{bc}	FY 2005	\$ Change	% Change
Washington Headquarters ^d					
Energy Information Administration...	80,087	81,100	85,000	+3,900	+4.8%

Site Description

The Energy Information Administration (EIA) is an independent statistical agency that is increasingly called upon to provide timely energy information and analysis. EIA's primary customers include the Nation's leaders, energy policymakers, media, and citizen. EIA's goal is to be the Nation's premier source of unbiased energy information, analysis and forecasting.

^a Reflects rescission of \$523,972 in FY 2003 (P.L. 108-7).

^b In FY 2004, EIA will use \$3,155,000 of prior year deobligations to maintain the same level of data, analyses, and services as compared to FY 2003.

^c Reflects rescission of \$530,000 in FY 2004 (P.L. 108-108), and a second rescission of \$481,328 cited in the Consolidated Omnibus Appropriation Bill for FY 2004, for a total reduction of \$1,021,328.

Program Direction

Funding Profile by Category

(dollars in thousands)

	FY 2003 ^a	FY 2004 ^{bc}	FY 2005	\$ Change	% Change
Washington Headquarters					
Salaries & Benefits	39,186	40,700	41,200	+500	+1.2%
Travel	398	398	407	+9	+2.3%
Support Services	31,309	30,089	33,220	+3,131	+10.4%
Other Related Expenses	9,694	9,913	10,173	+260	+2.6%
Subtotal, Program Direction	80,587	81,100	85,000	+3,900	+4.8%
Use of Prior Year Balances	-500	0	0	0	0.0%
Total, Program Direction.....	80,087	81,100	85,000	+3,900	+4.8%
Total, Full Time Equivalents ^d	364	374	369	-5	-1.3%

Public Law Authorizations:

1938 Natural Gas Act (P.L. 75-688)
 1954 Atomic Energy Act (P.L. 83-703)
 1974 Federal Energy Administration (FEA) Act (P.L. 93-275, 15 U.S.C. 761)
 1974 Energy Supply and Environmental Coordination Act, (P.L. 93-319)
 1975 Energy Policy and Conservation Act (P.L. 94-163)
 1976 Energy Conservation and Production Act (P.L. 94-385, 15 U.S.C. 790)
 1977 Department of Energy (DOE) Organization Act (P.L. 95-91, 42 U.S.C. 7135)
 1978 Natural Gas Policy Act (P.L. 95-621)
 1978 Powerplant and Industrial Fuel Use Act (P.L.95-620, 42 U.S.C. 8301)
 1980 Energy Security Act (P.L. 96-294)
 1982 Energy Emergency Preparedness Act (P.L. 97-229, 42 U.S.C. 6245)
 1985 National Coal Imports Reporting Act (P.L. 99-58)
 1985 Energy Policy and Conservation Act Amendments of 1985 (P.L. 99-58, 42 U.S.C. 6201)
 1987 Powerplant and Industrial Fuel Use Act Amendments of 1987 (P.L. 100-42, 42 U.S.C. 8312)
 1992 Energy Policy Act (P.L. 102-486, 42 U.S.C. 13385)
 1995 Paperwork Reduction Act (P.L. 104-13, 44 U.S.C. 3501)
 1998 Government Paperwork Elimination Act (P.L. 105-277, 44 U.S.C. 3504)

Other Laws, U. S. Code and Regulations with Significant Provisions Affecting EIA:

1966 Freedom of Information Act (5 U.S.C. 552)
 1974 The Privacy Act of 1974 (5 U.S.C. 552a)
 1980 Anti-Deficiency Act (31 U.S.C. 1341)
 1982 Federal Managers' Financial Integrity Act (P.L. 97- 255)
 1983 Nuclear Regulatory Commission Authorization Act (P.L. 97-415, 42 U.S.C. 2210)
 1986 Omnibus Budget Reconciliation Act (P.L. 99-509, 42 U.S.C. 7135)

^a Reflects rescission of \$523,972 in FY 2003 (P.L. 108-7).

^b In FY 2004, EIA will use \$3,155,000 of prior year deobligations to maintain the same level of data, analyses, and services as compared to FY 2003..

^c Reflects rescission of \$530,000 in FY 2004 (P.L. 108-108), and a second rescission of \$481,328 cited in the Omnibus appropriation for FY 2004, for a total reduction of \$1,021,328.

^d Excludes 1 FTE funded by the Nuclear Waste Disposal Fund.

1990 Chief Financial Officers Act (P.L.101-576)
1993 Government Performance and Results Act (GPRA)
1994 Government Management Reform Act (GMRA)
2002 Title V of the E-Government Act (P.L. 107-347)

18 U.S.C. 1001 makes it a crime for any person knowingly and willingly to make to any Agency or Department of the United States any false, fictitious or fraudulent statements as to any matter within its jurisdiction.

18 U.S.C. 1805 makes it a crime to disclose confidential information.
C.F.R. Title 5, Administrative Personnel

Department of Energy Privacy Act Issuances, Systems DOE-4 (EIA Form 457, Residential Energy Consumption Survey), System DOE-6 (EIA Customer Database), and DOE-59 (Mailing Lists for Requesters of Energy Related Information).

The EIA provides high-quality, policy-independent energy information to meet the requirements of Congress, the Administration, industry, and the public in a manner that promotes sound policy-making, efficient markets, and public understanding.

EIA's products and services support DOE's Program Goal 04.61.00.00 to provide national and international energy data, analyses, information and forecasts to meet the needs of the energy decision makers and the public.

As an independent statistical/analytical agency, EIA's primary responsibility is to conduct the functions required by statute. These functions include the development and maintenance of a comprehensive energy database, the dissemination of energy data and analyses for a wide variety of customers in the public and private sectors, and the preparation of specific reports. Statutes require EIA, among other tasks, to maintain the National Energy Modeling System for mid-term energy markets analysis and forecasting, maintain the Short-Term Integrated Forecasting System for near-term energy market analysis and forecasting, conduct surveys of energy use in residences, commercial buildings, and conduct customer forums and surveys to maintain an up-to-date product and service mix.

EIA's other responsibility is to respond to inquiries from a broad variety of customers for energy information. The primary customers of EIA services are public policy-makers in the Congress and Administration. Other customers include agencies of the Federal Government, State and local governments, the energy industry, educational institutions, the news media, and the public. The EIA strategy is to make its products and services available to customers through an expansion of electronic dissemination through the EIA Internet Web site and on compact disk, with only four printed publications produced.

Mission

Oil and Gas

The Oil and Gas (O&G) activity designs, develops, and maintains oil and gas statistical and short-term analytical and forecasting information systems. This activity involves the data collection, quality control, processing, analysis, and report preparation activities associated with these energy sources. These data are used in the Short-Term Integrated Forecasting System, and in the National Energy Modeling System. Energy information topics cover: petroleum supply focusing on crude oil and refined petroleum products; petroleum marketing focusing on crude oil and petroleum product price, and marketing statistical information systems; natural gas focusing on natural gas production, storage, consumption and markets; and reserves focusing on oil and gas reserves.

Coal, Nuclear, Electric & Alternate Fuels

The Coal, Nuclear, Electric, and Alternate Fuels (CNEAF) activity designs, develops, and maintains fuel specific statistical and short-term analytical and forecasting information systems. These data are used in the National Energy Modeling System, by the Administration and Congress as input for policy analysis initiatives, and by energy industry analysts and the public. Other activities include providing statistical interpretation, analysis, and support to the Administration, Congress, and other Federal energy policymaking officials. This activity involves the assessment of existing and potential resources, and reserves and the analysis of historical trends.

Energy Markets and End Use

The Energy Markets and End Use (EMEU) activity designs, develops, and maintains statistical and short-term energy forecasting information systems concerning supply, imports, price and consumption, and prepares integrated reports and periodicals which cut across energy sources. Energy information topics cover international, financial, and contingency/emergency statistical information and short-term modeling and integrated statistics, focusing on surveys and historical databases for energy supply and disposition, prices, and expenditures.

Integrated Analysis and Forecasting

The Integrated Analysis and Forecasting (IAF) activity develops forward-looking analyses and forecasts for alternative energy futures for the United States and other nations. This activity develops, maintains, and enhances the National Energy Modeling System, the System for the Analysis of Global Energy Markets (SAGE), and other modeling systems needed to analyze the interactions of demand, conversion, and supply for all energy sources and their economic and environmental impacts. IAF publishes annual estimates of U.S. greenhouse gas emissions and maintains the Greenhouse Gas Voluntary Reporting System and provides technical assistance to other agencies in estimating corporate and organizational emissions and calculating reductions. At the request of Congress or the Administration, IAF also conducts energy analysis and to assess the impact of alternative policy and technology paths.

Information Technology

The Office of Information Technology (OIT) provides EIA-wide desktop, hardware, software, database, network, and other Information Technology (IT) support to the EIA offices. Included are direct support for individual offices' IT activities, as well as the development and implementation of EIA-wide crosscutting enterprise applications and inter-connectivity and inter-operability with Departmental systems. OIT is responsible for identifying and applying the emerging technology solutions to EIA's business processes, and for recommending innovations in capability, efficiency, and effectiveness that

can be gained by adopting these solutions. OIT is responsible for all plans, standards, and training activities relating to EIA's IT.

National Energy Information Center

The National Energy Information Center (NEIC) is the point of contact for energy information for the U.S. Government, including the Office of the President, Congress, and Federal agencies, as well as State and local government agencies, the academic community, industrial and commercial organizations, foreign governments and international organizations, the news media, the financial community, research and consulting organizations, and the general public. Energy information is disseminated through the Internet and printed publications. NEIC also responds to public inquiries, principally through telephone and e-mail. Other NEIC services and programs include coordination of the EIA Web site; creating and maintaining special Web site features designed to improve access; other energy data dissemination activities; Web site usability testing; design, graphic, editorial, production, and outreach services for dissemination of energy data and analysis; specialty publications, press releases, brochures, flyers, and exhibits; EIA's print-on-demand program; EIA's records management program; news media services; an energy education and outreach program; and performance of customer satisfaction surveys and analysis of customer feedback.

Statistics and Methods

The Statistics and Methods Group (SMG) activity evaluates energy data quality, measures performance, designs, develops and coordinates survey and statistical standards and definitions governing collection, processing, documentation, and dissemination of energy information. Further, SMG manages EIA's respondent burden control program and public-use forms clearance program. This activity also evaluates and enhances all processes used to collect and analyze energy data, as well as assesses the quality and meaningfulness of energy information and forecasts, to continually improve the energy information provided to EIA customers.

Resource Management

The Resource Management (RM) activity includes the overall management and administrative support to EIA. This activity includes: program planning, financial, contracts, human resource management, resource and workforce analyses, and administrative and logistic support services. EIA's general overhead costs, including rent, telephones, supplies, as well as other support items provided through the Departmental Working Capital Fund, are funded by this activity.

Detailed Justification

(dollars in thousands)

FY 2003	FY 2004	FY 2005
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Salaries & Benefits..... 39,186 40,700 41,200

In FY 2003 and FY 2004, fund 364 and 374 FTEs respectively, and in FY 2005 fund 369 FTEs (excluding 1 FTE funded by the Nuclear Waste Disposal Fund), to conduct weekly, monthly, and annual energy data surveys (51 total) and operate associated data collection and validation systems; disseminate energy data via publications and the Internet; conduct quadrennial surveys of energy use in residences, commercial buildings, and the manufacturing sector, analyze results on a regional basis; prepare the *Annual Energy Outlook*, the monthly *Short Term Energy Outlook*, and the *International Energy Outlook*; maintain, update, and operate required energy models.

(dollars in thousands)

FY 2003	FY 2004	FY 2005
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Prepare special modeling analyses requested by the Secretary or the Congress (e.g. Clear Skies, McCain/Lieberman, Alaska pipeline, Energy Derivatives, Natural Gas Infrastructure, etc.); provide public and internal analysis and reports (e.g. Energy Situation Analysis Reports) during periods of energy market stress (Venezuela, Iraq, California, Northeast Electrical service blackout, etc.); collect and analyze financial data from major energy companies and data on foreign direct investment; prepare and update Country Analysis Briefs; operate National Energy Information Center. Includes salaries, health benefits, overtime, promotions, incentive awards, lump sum leave, and personnel performance awards.

Travel **398** **398** **407**

Fund travel for office personnel to attend training, professional development programs, industry and State conferences, met with national and international government and energy industry officials, and provide expertise in support of EIA mission.

Support Services **31,309** **30,089** **33,220**

Fund support for EIA's activities of energy data collection, analysis, forecasting, and energy information dissemination. Funded work also includes all survey development and processing, and the automated tools and equipment to collect, store, maintain, protect, and disseminate energy information. Funds also support operation of EIA financial, contracting and human resource operations.

• **Oil and Gas** **12,339** **11,603** **13,425**

Fund contracts for statistical services in support of collection, processing, and dissemination of weekly, monthly, and annual data on reserves, supply, disposition, and prices of crude oil, refined petroleum products, natural gas and natural gas liquids; support for short-term analyses, estimates of natural gas delivery capacity, winter fuels data, and State cooperative agreements. For FY 2003 and FY 2004, continue to operate 34 petroleum and natural gas surveys including 10 weekly surveys, 18 monthly surveys, and 6 annual surveys resulting in 5 weekly, 7 monthly, and 9 annual dissemination products (Web-based and print-on-demand). EIA will conduct basic quality assurance activities, reduce survey noncompliance, and track and resolve data anomalies as a result of misreporting and non-response to assure the publication of accurate, timely data, and to implement processes for improving and maintaining data needed to understand petroleum and natural gas markets.

In addition, EIA will release topical interest reports, such as *This Week in Petroleum*, and brochures such as *A Primer on Gasoline Prices and Residential Natural Gas Prices: What Consumers Should Know*, and selected one-time analytical reports on topical subjects, such as gasoline imports or the mid-West petroleum supply and price situation. Prior year balances in the amount of \$2,455,000 will be used in FY 2004 to offset program requirements.

(dollars in thousands)

FY 2003	FY 2004	FY 2005
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- **Conduct Petroleum Surveys and Analyses.....** **8,880** **8,314** **8,873**

During FY 2005, activities include operating 27 surveys on weekly, monthly and annual cycles, processing the survey data, disseminating it (Website and print-on-demand); addressing deteriorating survey frames, identifying new companies required to report on petroleum surveys, providing modifications and support to the supply and marketing information database system, and continuing data quality projects such as reducing large unaccounted for crude oil statistics, missing motor gasoline production, and missing crude and petroleum product imports. The company level data gathered in these surveys are edited and aggregated into around 60,000 distinct on-line data series, for example, weekly retail gasoline prices, comprising about a billion characters of information. In FY 2004, EIA will make use of prior year uncosted balances for the operation of Petroleum Surveys and Analyses.

In FY 2004 and FY 2005, EIA will invest \$229,000 for quality improvement activities for the petroleum supply weekly and monthly surveys. For the weekly supply data, emphasis will be on validating the quality of the new motor gasoline blenders, assessing the impact of the new blenders on the adjustments made for motor gasoline, and updating the sample for blenders. EIA will improve weekly motor gasoline production data, whose customers are policy makers in the Congress, the White House, Office of the Secretary of Energy, State Energy Officials, corporate planners, gasoline producers, marketers and gasoline purchasers. For the monthly supply data, additional quality assurance to track ultra-low sulfur diesel fuel volumes, locate importers of diesel fuel and analyze major reporting issues for diesel fuel, including downgrading that may occur at various stages in the supply chain. Quality control targets would include maintenance of the total US frame of ethanol producers, ethanol motor gasoline blenders, and importers of special blending components.

- **Conduct Natural Gas Surveys and Analyses** **2,061** **1,891** **3,154**

During FY 2005, activities include operating five natural gas surveys on weekly, monthly and annual cycles, processing the survey data, disseminating it (Website and print-on-demand); addressing deteriorating survey frames, identifying new companies required to report on natural gas surveys, providing modifications and support to the information processing system, and continuing data quality projects so that surveys reflect changing natural gas markets. This program includes the Weekly Natural Gas Underground Storage Survey, which is the only weekly gas supply data in the United States and is critical to decisions of supply planners in industry and utilities, as well as to analysts in assessing the current natural gas supply and demand situation. FY 2003 includes \$500,000 of prior year deobligations to fund the operation of the Weekly Natural Gas Underground Storage Survey. Prior year balances in the amount of \$760,000 will be used in FY 2004 to operate the Natural Gas Surveys and Analysis activities.

(dollars in thousands)

FY 2003	FY 2004	FY 2005
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For FY 2005, \$649,000 will be allocated to develop and field a new natural gas production survey, which will require EIA to make use of \$146,000 of program funds to help offset the funding requested to accomplish this task. The new monthly production survey would sample producers who report on the EIA-23 (annual survey of 2000+ reserves holders and operators). Due to the growing importance of natural gas, providing more timely and accurate gas production data are a high priority. This was evidenced by the recent high profile attention to the issue by Chairman Greenspan of the Federal Reserve Board, the mainstream media, and financial analysts. The goal is to publish production data for U.S. and leading States or regions about 60 days after the producing month, significantly improving the current 120-day lag time. The current voluntary survey of States to obtain annual data for all States on production and wellhead prices by State would continue.

• **Conduct Reserves Surveys and Analyses..... 1,398 1,398 1,398**

During FY 2005, activities include operating the Annual Survey of Domestic Oil and Gas Reserves, a legislatively mandated data collection program (EIA 23A, 23B, 23P) and operating the Annual Report of the Origin of Natural Gas Liquids Production (EIA 64A), as well as making improvements to their frames and operations to reduce errors and increase weighted response rates. Analytical activities include the operations and maintenance of systems to estimate and forecast natural gas production and productive capacity; and systems to estimate and forecast crude oil production for use in the Short-Term Energy Outlook (STEO). Additional activities include construction, operation, maintenance and use of the US PetroSystem database; technical support on foreign and domestic upstream issues to EIA programs (EPCA ultimate recovery appreciation, well completions, equipment and operating cost studies, National Petroleum Council and National Energy Technology Laboratory studies,) and purchase of commercial reserves and production information for use in analytical work.

▪ **Coal, Nuclear, Electric & Alternate Fuels 4,836 4,806 4,890**

Fund contracts for statistical services in support of collection, processing, and dissemination of selected highest priority weekly, monthly, quarterly, and annual data on reserves, supply, disposition, and prices for coal, nuclear, and electric power; support for short-term forecasting systems. Not included in the FY 2004 number above is \$220,000 of prior year uncosted which EIA will make use of to fund the ongoing electricity data collection and analysis operations.

• **Conduct Electric Power Surveys 3,609 3,280 3,346**

In FY 2003 and FY 2004, operate 8 electric power data collection surveys, including three monthly surveys, four annual surveys and one emergency survey used to report major electric outages. This involves continuing to collect and process the large volume of additional data, particularly from non-utility facilities included since 2002 due to the restructuring and deregulation activities in the electric power industry. Summaries of the data collected on these surveys are made available in a monthly and an annual data report.

(dollars in thousands)

FY 2003	FY 2004	FY 2005
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For FY 2005, EIA plans to terminate the EIA-412, *Annual Electric Industry Financial Report*, which collects financial and plant-cost data from a variety of municipal, state, and federally-owned utilities, as well as data on existing and new transmission lines from those utilities and from generation and transmission (G&T) cooperatives.

- **Electricity 2005**..... **220** **600** **560**
Complete this multi-year project to assess the scope needed to modify the existing electric power data information collected for use by EIA, DOE, the Executive Branch, Congress, industry, and the public. This evaluation concentrates on several areas including fuel-switching capabilities, transmission, reliability, and distributed and dispersed technologies, all of which are weaknesses in EIA's current electric surveys. EIA will also assess the new data confidentiality policy to determine what modifications will be needed to EIA surveys to reflect the changes in industry as it moves towards being more competitive. EIA will obtain support from electric power industry expert(s) and fund the work needed to incorporate all of the design changes to the forms and EIA energy information systems.
- **Conduct Coal Surveys**..... **569** **518** **545**
Operate four coal data collection surveys and through an interagency agreement validate data collected by the Mine Safety and Health Administration on their quarterly production form. The two quarterly surveys are of manufacturing plants and coke plants on their coal receipts, consumption, stocks, and prices. The two annual surveys of coal producers/ preparation plants and coal distributors collect data on coal reserves, coal bed statistics, production capacity, sales and revenue, and coal distribution by State of origin to State of destination including transportation mode. These data are used to estimate weekly coal production by State and develop short-term and long-term forecasts of coal supply and demand providing a timely, reliable source of information on market trends for the industry for strategic planning and market analysis and to support rational spot markets and futures markets. It is also useful for policy makers in evaluating the impact of proposed energy and environmental programs.
- **Conduct Renewable and Alternate Fuel Surveys** **259** **256** **267**
Process three annual surveys of manufacturers of solar and geothermal heat pump equipment. Together, with data from the electric power industry, this information is useful to policy makers in evaluating legislative proposals for incentives for renewable energy and for planning by the renewable industry. This annual survey gathers data from: (1) Federal, State and fuel provider fleets on their alternative transportation fuel vehicles and the amount of fuel consumed, and (2) auto manufacturers on the number of alternative transportation fueled vehicles that have been made available each year.

(dollars in thousands)

FY 2003	FY 2004	FY 2005
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- **Conduct Uranium Surveys** **179** **152** **172**

Process an annual survey of the uranium producers, marketers, and nuclear plant operators and a quarterly survey of uranium producers in compliance with Subtitle B, 42 U.S.C. 2296b-4, Sec. 1015 of the Energy Policy Act of 1992. The data are used together with information on nuclear capacity and generation collected from the electric power industry to develop Short-Term forecasts of nuclear generation which are a basis for fee adequacy studies for the nuclear waste fund and are used to develop long term forecasts of nuclear fuel cycle requirements and spent fuel discharges.

- **Energy Markets and**

- **End Use.....** **5,281** **5,006** **5,346**

Fund contracts for statistical services in support of collection, processing, and dissemination of selected State and international energy data, short-term energy forecasts, and integrated energy statistics, the Financial Reporting System, and end-use energy surveys. Release first summary information from newly redesigned Commercial Buildings Energy Consumption Survey.

- **EIA Periodic Analysis Products** **1,346** **1,644** **1,767**

Continue to conduct energy contingency analysis and produce the *Country Analysis Briefs* (CABs) and the *Energy Situation Analysis Report* (ESAR), as needed to cover energy emergency activities. (Of note, CABs is EIA's leading Web site user area). Produce monthly updates of the *Short-Term Energy Outlook* that is disseminated over EIA's Web site, produce the *Summer Motor Gasoline Outlook* and the *Winter Heating Fuels Outlook* annually; conduct the *Financial Reporting System Survey*, validate and analyze the data and produce *Performance Profiles of Major Energy Producers* report, and the annual report on *Foreign Direct Investment in U.S. Energy*. Produce the *Annual Energy Review*, and the *Monthly Energy Review*.

- **Enhance Short-Term Energy Forecasting Model**

- **Regionalization** **125** **269** **200**

The current model is national and as such misses regional events that can have a significant impact on the projections. For example it is very possible to have normal weather on a national basis but also have enough regional variation and supply shortages at the same time. This happened in natural gas markets during the winter of 2002 - 2003, when the West had mild weather and abundant gas storage, while gas markets and storage in other regions were extremely tight. This project would complete the modification of EIA's short-term forecasting model to include regional analysis of fuel choice and fuel substitution.

(dollars in thousands)

FY 2003	FY 2004	FY 2005
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• **Conduct Consumption Surveys..... 3,810 3,093 3,379**

Release the first summary information from the newly redesigned *Commercial Buildings Energy Consumption Survey* (CBECS). The CBECS, the first of the redesigned Energy Consumption Surveys, will include field data collection costs and survey processing of the

Buildings Survey data and initiate data collection and processing of the Energy Supplier Survey portion. The resulting summary data on building characteristics from this survey will be released during FY 2004. The CBECS is EIA's benchmark survey of energy use related to characteristics of the commercial building stock and the activities conducted therein. The *Manufacturing Energy Consumption Survey* will be conducted under an Interagency Agreement with U.S. Bureau of the Census. The *Residential Energy Consumption Survey* (RECS) work will complete the dissemination of the 2001 RECS survey and the associated documentation. These surveys are currently conducted every four years.

▪ **Integrated Analysis and Forecasting 2,367 2,586 3,550**

Fund contracts for statistical services in support of maintenance of selected highest priority mid-term macroeconomic, international, demand, supply, conversion, and integrating components of National Energy Modeling System (NEMS), *Annual Energy Outlook*, and *International Energy Outlook*.

• **Modeling, Forecasting, and Analysis of U.S. Energy**

Markets 1,550 1,660 1,863

Maintain and operate the NEMS, consisting of 13 inter-related energy modules addressing future energy demand for the residential, commercial, industrial, and transportation sectors, and future supply of petroleum, natural gas, coal, and renewables. NEMS is the U.S. Government's integrated mid-term energy model, used in preparing the *Annual Energy Outlook*, feature articles on significant topics in mid-term energy markets, and service reports requested by Congress, the Administration, the Department of Energy, and/or other Government agencies. For FY 2005, EIA will be implementing enhancements to the transportation modeling to provide the capabilities needed to assess the existing and proposed Corporate Average Fuel Economy (Cafe) standards, and their market impacts.

(dollars in thousands)

FY 2003	FY 2004	FY 2005
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- **Modeling, Forecasting, and Analysis of International**

Energy Markets..... 277 296 240

Produce the *International Energy Outlook*, the U.S. Government's publication on mid-term forecasts of world energy markets, and to answer questions concerning significant issues affecting world energy markets in the mid-term. This activity has been responsible for the development of the System for Analyzing Global Energy (SAGE), a comprehensive, energy technology model, representing global energy supply and demand in 15 regional models, on which the International Energy Outlook is based.

- **Greenhouse Gas**

Program 540 630 1,447

This activity encompasses the publication of the annual estimate of greenhouse gases contained in the *Emissions of Greenhouse Gases in the United States*, the Voluntary Reporting of Greenhouse Gases Program, and the enhancements to the Voluntary Reporting of Greenhouse Gases Program requested by the President in his Climate Change Initiative. As in FY 2002, to fully fund this activity in FY 2003 EIA made use of \$900,000 in prior year deobligations. In FY 2004, EIA will make use of prior year uncosted balances to fully fund this program. For FY 2005, EIA will implement an enhanced program with incorporates President Bush's Climate Change Initiative announced on February 14, 2002. The funding will cover increased operating costs to analyze data that respondents will provide on baselines, emissions, and emission reductions of greenhouse gases. EIA estimated that the enhanced program would lead to more than doubling of the number of respondents, assuming the cost per respondent remains at current levels.

- **Information Technology 4,923 4,364 4,167**

Operate and maintain the EIA network consisting of an enterprise server; four Web servers; over fifty production servers; all network communication equipment including hubs, routers, switches, and cables; and peripheral equipment including a storage device for the enterprise server, high speed printers, and robotic tape backup machines. Maintain communication equipment to connect the network with remote sites in Silver Spring, Maryland and Dallas, Texas, and with individual users. Maintain 900 workstations that access EIA's network. Maintain energy databases that total more than two terabytes of data. Databases are currently under development that combines data from a wide range of sources with EIA data; these new databases will have additional storage requirements over two terabytes.

Included in EIA's FY 2005 Information Technology request continues the development and implementation Internet data collection. This project was undertaken by EIA to eliminate the paper-based data collection instruments and replace these with an interactive Internet-based energy data collection system to increase the accuracy and improve timeliness of all energy data collected by EIA. The request also supports ongoing operations of EIA surveys, analysis and forecasting.

(dollars in thousands)

FY 2003	FY 2004	FY 2005
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- **National Energy Information Center.....** **610** **657** **733**
Fund contracts for information services to respond to public inquiries, and disseminate EIA products and energy information. The incremental increase results from a reduction in FTEs to lowering operational costs while enhancing services. For FY 2005, NEIC will: (1) continue implementation of EIA's continuity of operations program, a government-wide requirement to maintain the ability to carry out essential functions in the event of an emergency or disaster. (2) Respond to approximately 30,000 requests: (A) for EIA data, analyses, and forecasts, most significantly from Executive agencies, Members of Congress and associated staffs, and print and broadcast journalists from major media outlets across the Nation and around the world; (B) for extensive EIA Web site support; and (C) for referrals to energy information elsewhere in the national and international statistical system. EIA will distribute periodicals, one-time reports, brochures, flyers, and info cards. Print 1,000 copies of EIA publications for on-demand customers. Prepare 20 press releases, notes to editors, and media advisories. Design and manage 10 Web site channels, including the increasingly popular EIA Kids' Page. Conduct two customer surveys and two Web site usability tests. Provide outreach on EIA products.
- **Statistics and Methods** **544** **631** **602**
Fund contracts for independent expert reviews, workshops for improving knowledge and skills of EIA staff, management of the American Statistical Association Energy Committee (EIA's professional advisory committee), maintenance of Data Resources Directory, statistical services in support of quality assurance, improvement of statistical procedures used within EIA survey systems, and development-oversight of performance measures of EIA's operations and products.
- **Resource Management** **409** **436** **507**
Funds to conduct the day-to-day operation of EIA financial, contracting and human resource personnel operations, which encompasses all resource management reports, contracts and contractor agreements and performance oversight, all budget formulation and execution activities, and support for EIA's strategic and operational planning and performance reporting activities. FY 2004 and FY 2005 funding includes upgrades to EIA's human resource and contracts management.

During FY 2004, EIA will: (1) Expand and process more of EIA's day-to-day procurement actions, to include tracking of increased number of small businesses utilized. With the anticipated award and implementation of EIA's Omnibus Procurement instrument (EOP II), a multi-award replacement contract, EIA procurement and contracting operations will compete and monitor a far greater share of EIA's procurement activities and expand oversight; (2) Continue to improve the efficiency of EIA's financial and management information systems. EIA planning includes implementing the ability of senior management to access, monitor and obligate operational funds electronically.

For FY 2005, EIA will: (1) Continue to implement generic processes to improve the efficiency, and especially the timeliness, of EIA's human resource, contracting and financial analysis; (2) Implement interfaces with Departmental information systems to reduce or eliminate error-prone data entry and processing steps; and (3) Recruit and develop Presidential Management Interns for EIA's support of the President's Management Agenda.

(dollars in thousands)

FY 2003	FY 2004	FY 2005
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Other Related Expenses..... 9,694 9,913 10,173

Fund EIA rent, furniture, utilities, communications, supplies, and other support service transfers to DOE Working Capital Fund. Fund the maintenance and operation of the EIA's Dallas Field Office. Maintain DOE required set-aside to cover prior year obligations. Fund corporate employee development, and Historical Black Colleges and Universities, Hispanic Serving Institutions, Tribal Colleges and Universities, and commemorative programs. Fund employee training. Reflects rescission of \$523,972 in FY 2003 (P.L. 108-7).

Total, Program Direction 80,587 81,100 85,000

Explanation of Funding Changes

FY 2005 vs. FY 2004 (\$000)

Salaries & Benefits

Net increase in Federal staff cost due to cost of living increases partially offset by a reduction of five FTEs by FY 2005.	+500
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Travel

- | | |
|---|----|
| <ul style="list-style-type: none"> ▪ Increased costs to fund employee training, development, and EIA representation at various conferences and energy related events. | +9 |
|---|----|

Support Services

- | | |
|--|--------|
| <ul style="list-style-type: none"> ▪ Net increase due to the exhaustion of prior year uncoded balances as a source for current year program funding, the cost escalation of contractor support, and the undertaking of new programs in support of Congress and the Administration. | +3,131 |
|--|--------|

Other Related Expenses

- | | |
|--|------|
| <ul style="list-style-type: none"> ▪ Increase in Working Capital Fund business line costs, and EIA overhead costs. | +260 |
|--|------|

Total Funding Change, Program Direction	<hr style="border: none; border-top: 1px solid black;"/> +3,900
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Support Services by Category

(dollars in thousands)					
	FY 2003 ^a	FY 2004 ^{bc}	FY 2005	\$ Change	% Change
Technical Support					
Oil & Gas	12,339	11,603	13,425	+1,822	+15.7%
Coal, Nuclear, Electric & Alternate Fuels	4,836	4,806	4,890	+84	+1.7%
Energy Markets & End Use	5,281	5,006	5,346	+340	+6.8%
Integrated Analysis & Forecasting ...	2,367	2,586	3,550	+964	+37.3%
Information Technology	4,923	4,364	4,167	-197	-4.5%
National Energy Information Center ..	610	657	733	+76	11.6%
Statistics & Methods	544	631	602	-29	-4.6%
Resource Management	409	436	507	+71	16.3%
Total, Technical Support Services	31,309	30,089	33,220	3,131	+10.4%

Other Related Expenses by Category

(dollars in thousands)					
	FY 2003	FY 2004	FY 2005	\$ Change	% Change
Other Related Expense					
Supplies, Copying, DOE HQ					
Charges, Rent to Others	669	943	1,042	+99	+10.5%
Set Aside for Prior Year					
Obligations	199	500	400	-100	-20.0%
Dallas Field Office – Building					
Occupancy, Phones & Utilities	275	281	275	-6	-2.2%
HBCU, HSI, Tribal Universities	181	189	171	-18	-9.5%
Working Capital Fund	8,370	8,000	8,285	+285	+3.6%
Total, Other Related Expenses	9,694	9,913	10,173	+260	+2.6%

^a Reflects rescission of \$523,972 in FY 2003 (P.L. 108-7).

^b In FY 2004, EIA will use \$3,155,000 of prior year deobligations to maintain the same level of data, analyses, and services as compared to FY 2003.

^c Reflects rescission of \$530,000 in FY 2004 (P.L. 108-108), and a second rescission of \$481,328 cited in the Omnibus appropriation for FY 2004, for a total reduction of \$1,021,328.

